DOCUMENT RESUME

ED 375 481 EA 026 182

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TITLE Shifting Paradigms or Shifting Perspectives: An Analysis of Fifty Years of Education Reform.
PUB DATE Apr 93
NOTE 34p.; Paper presented at the Annual Meeting of the American Educational Research Association (Atlanta, GA, April 12-16, 1993).
PUB TYPE Speeches/Conference Papers (150) -- Viewpoints (Opinion/Position Papers, Essays, etc.) (120)

EDRS PRICE MF01/PC02 Plus Postage.
DESCRIPTORS Academic Achievement; *Accountability; *Educational Change; *Educational History; *Educational Policy; Elementary Secondary Education; *Governance; *Incentives; Policy Formation; State Action; State Legislation; Teacher Salaries
IDENTIFIERS *North Carolina

ABSTRACT

Since 1946, four major efforts to improve educational outcomes through shifts in governance have occurred in North Carolina. The 1989 reforms were characterized by an increase in rhetoric about local control and initiatives, teacher involvement, and school-based management. This paper surveys the last 50 years of educational reform policy in North Carolina, with a focus on the following four reforms: (1) the Commission on Merit Rating of Teachers (1946); (2) the North Carolina Teacher Merit Pay Study (1960-65); (3) the North Carolina Career Development Program Pilot (1985-89); and (4) the School Improvement and Accountability Act of 1989. The review concludes that the intended effects of the reforms have rarely been achieved, since they were based on the mistaken assumption that increased teacher salaries would result in improved student performance. In addition, power relationships did not change. The reforms perpetuated the same paradigm, which is based on industrial-age models of work, governance, motivation, and organizational behavior. Five tables are included. Contains 25 references. (LMI)

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ED 375 481

SHIFTING PARADIGMS OR SHIFTING PERSPECTIVES: AN ANALYSIS OF FIFTY YEARS OF EDUCATION REFORM

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A paper presented at the annual meeting of the American Educational Research Association in Atlanta, Georgia, April, 1993.

EA 026 182

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Introduction

The State of North Carolina has a curious--almost schizophrenic--history in education. Before 1865, the state had the most extensive public education system in the South. However, Governor Jonathan Worth, who had been elected in 1865 and who earlier in his career had sponsored the bill establishing public education in the state, persuaded the legislature to abolish public schools. Instead, the legislature authorized localities to establish tax-supported "private academics" (Foner, 1990). Between 1870 and 1900, the "Redeemers" regained control of state affairs and reinstituted public education, albeit in segregated facilities.

Unfortunately for the state, the creation of the textile industry offered a wage-paying alternative to schools to children and their families. While mill villages had schools and the State had child labor laws, most families willingly put children to work, whenever the production schedules demanded it (Hall, 1990). The combination of a long tradition of relatively low tax rates, recurrent economic depression, and labor demand for relatively low skilled workers--whether for mill or farm--resulted in a social infrastructure that placed a relatively low priority on education. Moreover, the tradition of local control of schools that was established in the Northeast and the West never took hold in North Carolina, or indeed anywhere in the South. Throughout the first half of the 20th century, North Carolina schools received little public support for a complex of economic and social reasons.

However, that picture changed radically after 1945. Recognition that a farm/factory economy would not support the state began to grow, along with a sense that education was a key to an improved future. Today more than 50 percent of state expenditures are dedicated to education. The state pays, on average, 76 percent of education costs in local districts. Over the last ten years, while the federal share of education costs have declined, the state share has increased. (NCDPI, 1992; Holdzkom, 1992). While the emphasis of public funding began to change, the governance and support system of state government (and education) did not.

State support has been accompanied by state regulation. While North Carolina is one of the few states in the country with a fully-funded uniform teacher salary schedule, it is also a state that prohibits collective bargaining by public employees. While the State pays $25.00 per child for textbooks, those books must be purchased from a list of State-adopted texts. While North Carolina allocates funds for the salary of teacher assistants in all K-3 classrooms, it also provides uniform performance evaluation instruments for all classes of certified staff. While the State provides major support for the installation of a Basic Education Plan, which funds--among other things--the salaries for art and elementary foreign language teachers, the State also has an extensive system of end of course and end of grade tests, results of which are published in the State Report Card.

The careful reader will have noted that all of the conditions listed above focus on inputs and controls. While the inputs--salary, textbooks, curriculum designs--come from the State, implementation decisions being left to the districts, so do the controls: the

tests and evaluations of both child and adult performance. Since 1946, there have been four major efforts to improve educational outcomes through shifts in governance. However, all of these shifts have been paradigmatically related to one another, despite the rhetoric that has been used to clothe the most recent of these. One of the distinguishing traits of the 1989 reforms in North Carolina has been the increase in rhetoric about local control and initiatives, teacher involvement, site-based management and decision-making. Through a policy analysis of these four reforms, we will demonstrate the effects of those reforms, especially the 1989 reform, arguing that a paradigm shift has not yet occurred and, indeed, that educational improvement at the outcome level may be less a result of power arrangements than others have argued (Bachrach; Wise & Darling-Hammong inter al.)

The first reform group was authorized by the state General Assembly in March, 1945. Specifically, the Assembly authorized appointment of a commission to study the methods that could be used to pay teachers "based upon merit and the individual capacity and ability of the individual teachers" (Commission on Merit Rating of Teachers, 1946). As will be seen, the Commission interpreted its charge quite liberally, generating a series of reform recommendations, all intended to improve student achievement by improving the conditions of teaching. While theoretically endorsing the notion of differential merit, the Commissioners argued that establishing such merit was not possible, given technical limitations of the day, but that other reforms could be implemented to increase teacher efficacy. A rising tide lifts all boats.

Even though many of the Commissioners' recommendations were enacted, endemic problems of poor student achievement continued to plague North Carolina schools. Moreover, the notion of individual merit (and subsequent rewards) continued to exercise members of the Assembly. In 1959, the General Assembly approved a resolution calling on the Governor to appoint a second study commission to examine merit pay. This time, the Commission's report led to the enactment of a multi-year merit pay study, involving real teachers, and evaluation and real money. The experiment was launched in July, 1961, and concluded in February, 1965 with actual classroom observation conducted during school years 1962-63 and 1963-64. The primary outcome of the study was to underscore the technical feasibility of merit pay while simultaneously acknowledging its political costs.

The third reform movement was launched in July 1985 and continued through June, 1989. While the BEP had been launched during 1984-85, the Career Development Program pilot was the direct descendant of the two earlier reforms and we will focus attention on it. Like its 1960's predecessors, this experiment established feasibility. However, the political unpopularity of the program combined with its costs caused Assembly members to switch their support from Career Development to the School Improvement and Accountability Act of 1989.

This fourth reform went to the heart of a paradigm shift by offering a very large degree of local autonomy in exchange for improvements in student achievement. That is, a focus by the state on outcomes would replace the earlier emphasis on process variables (see Finn, 1990). The outcome of this fourth reform will be reported in some detail.

II. The Commission on Merit Rating of Teachers (1945-46)

The Commission was appointed by Governor R. Gregg Cherry and included two members of the General Assembly, two university professors, one school district superintendent, one classroom teacher, and one member of the DPI staff. To avoid confusion with other commissions, we will refer to this one as the Umstead Commission, following contemporary usage. John W. Umstead, Jr., was the Commission's chair and was one of the General Assemblyman. The Commission conducted a literature review, with special attention to current practice in merit rating, conducted experimental studies, consulted with groups of teachers and with organized educator groups and generated its final report.

At the outset, the Umstead Commission articulated its fundamental beliefs. These were important because any resulting policy decision would need to be evaluated in light of these basic values. Essentially the Commission affirmed the central role of the teacher in determining educational quality. A second value was one of democracy: "there would be no difference in salary due to sex, race, or type of teaching positions (classroom teacher)." (p. 9).

With respect to merit rating itself, the Commission felt that it could only rest on an adequate, basic salary schedule for <u>all</u> teachers; that the rating criteria should be "objective, measurable, and scientific" (p. 10); and that the criteria should encourage professional growth of all teachers.

Finally, a good merit system would depend upon sound implementation and must be acceptable to teachers and "be judged as fair, just, and workable." (p. 10).

The Commission approved of the salary schedule in use because it was based on two objective factors: training and experience. Established in 1919, the salary schedule had not been changed fundamentally (nor has it been to the present day) and its great strength lay in its objectivity and soundness, based on the Commission's somewhat disingenuous belief that education and experience were related to efficacy. The Commission did concede that the schedule did not recognize individual differences, which it acknowledge to exist, and they conceded that there existed wide variations in the quality of both training and experience. Indeed, they had little choice but to acknowledge that such differences existed.

One of the activities supported by the Umstead Commission was a study of the correlation between specific individual characteristics and teacher efficacy, operationally defined as pupil achievement. The study was conducted by W. A. McCall of Teacher's College, Columbia University.

Professor McCall analyzed student achievement, using a pre-/post-test design, and correlated it to a number of characteristics including race, gender, marital status, age, level of teacher education, experience, etc. McCall reports that he found no significant differences attributable to any of the personal characteristics he measured. (McCall, 1952).

The Commissioners observed that "rating devices" of several types were in wide-spread use. Check scales were used in 75 percent of city school systems to evaluate seven general areas: (1) personal characteristics; (2) social relationships; (3) professional qualifications; (4) habits of work; (5) instructional skill; (6) non-instructional school

service; and (7) student achievement. Unfortunately, the Commission observed, when "teaching skill" is evaluated, general dissatisfaction among teaching staff is usually created, although an NEA study reported that 75 percent of teacher respondents to a survey agreed that teaching skill should be used in creating a salary schedule. Citing a report from Delaware, the only state that used performance rating as part of the salary schedule, Umstead and his colleagues noted that evaluation inflation had reached the point that in most school districts, any rating lower than A was exceptional.

The Commission concluded that there was no objective basis for making merit determinations and that, therefore, the salary schedule in existence should be continued, but that a probationary period for new teachers should be increased to three years and teacher training--both pre-service and in-service--should be enhanced.

Further, the Umstead Commission agreed that an acceptable rating system for merit pay could be created, but not during its commission. Therefore they recommended further developmental study that would actually build and test a merit rating system.

In the remainder of their report, the Commissioners expatiate on a number of issues relevant to instructional improvement, which they identify as a major need. Their ideas include probationary certification for new teachers, aggressive teacher recruitment; improved pre-service and in-service education, enhanced teacher placements, reasonable teacher loads, improved teacher health, better supplementary teaching tools and instructional aids, and improved teacher supervision. In each of these areas they see an expanded role for state government, either in funding and/or in regulation. For

example, the Commission notes that the State allots funds for basal texts for each child, but does not adequately provide supplementary materials.

Although North Carolina did not return to the idea of merit pay for thirteen years, the work of the Umstead Commission should not be dismissed. As a pioneering effort, the Commission's report identified school reforms that were to be implemented over the next twenty-five years. The agenda laid out by Umstead and his commissioners included the extension of a uniform salary schedule to teachers regardless of race, the implementation of a program-approval system for teacher training colleges, the provision of paid sick leave to teachers, and the increased funding of instructional materials. All of these tasks involved state funds and increased responsibility for the State's department of education. Clearly education was a State responsibility and the costs of money and effort should be borne by the State.

The other outcome of the Umstead Commission's work that should be mentioned is the McCall report, referred to above. McCall was commissioned to design and conduct an experiment related to determining merit "factors". McCall administered pre and post-tests of ability, attitude, and behavior to 2164 pupils in Grade 6 in three school districts. Mean scores were derived for each class and pre-test score means were subtracted from post-test scores to derive a "gain score". These gains were then correlated to various individual teacher characteristics. McCall determined three things:

1. Ratings by superiors lacked validity;
2. Measuring growth by the McCall method was workable, but expensive and cumbersome; and
3. A battery of tests could be assembled and would render valid results, as opposed to the invalid State system of measuring merit by experience and

> training. Again, the expense and trouble of such assembly obviated against the plan.

In short, McCall established (at least to his satisfaction) that, while no merit system existed that he would recommend, the system currently in use in North Carolina was unlikely to reward merit with any validity (McCall, 1952). He did recommend that pupils be allowed to evaluate their teachers and he observed that enhancing teacher education to maximize the desirable teacher characteristics he had identified would achieve the desired result--improved student achievement--more readily than installing a merit pay system. If colleges would strengthen their curricula to a uniform standard, then the experience factor could be dropped from the salary schedule and sole reliance placed on training. Continuing education would, following McCall, be the sole determinant of progress up the salary scale.

III. North Carolina Teacher Merit Pay Study (1960-65)

During the 1950's, North Carolina, like other states, experienced the babyboom that followed World War II. Thus, during a period when policymakers pursued plans and methods to differentiate among teachers on merit, they confronted the need to recruit ever-larger numbers of teachers to staff the schools. An unidentifiable author conducted a study of teacher turnover for the period 1952-54 and concluded that, while 14.4 percent of teachers left their positions at the end of the school year 1952-53, about 37 percent of these were teaching elsewhere in North Carolina in 1953-54. Thus, at the state level, the real problem was perceived to be one of attraction to the profession more than one of retention. Lortie (1975) points out that teachers' salaries have always been "front-end" loaded, so that the scale maxima are relatively low, as compared with other professions. However, the turnover study does not suggest that North Carolina's teachers were leaving in large numbers to take up other occupations. Indeed, only 8 percent of the leavers planned to enter other occupations.

For these reasons, it is a little surprising that one of the reasons that the General Assembly authorized a second merit pay study in 1959 was "the increase in school population" (N. C. General Assembly, nd, p. 19). Other reasons for the resolution included the desire to find the elusive method for determining individual teachers' merit and the presumptive connection between pay incentives and improved teaching, which would lead to improved learning.

The resolution also specified that the membership of the study commission would include members of the legislature, members of the "school profession" and members of the public, in equal numbers, in addition to the superintendent of schools and the chairman of the State board of Education. It is important to observe two things about the membership. First, legislators would be serving as non-specialists in a study the results of which would come back to their colleagues in the Assembly. Second, teachers would be represented on a commission that would make policy recommendations about their own conditions of employment. This mix of parliamentary and labor perspectives was a relatively new phenomenon in state policymaking, but established a precedent that has continued to the present.

In its report, the Harris Commission recognized that a merit pay system could not be substituted for a basic salary structure designed to attract and retain quality teachers. The Commission also recognized that, while there were powerful feelings both for and against merit pay systems, the contra arguments were three: (1) how to define "good teaching"; (2) what measuring instrument should be used; and (3) who were the evaluators to be and by what process would evaluations be conducted. Nevertheless, the Commission noted that there existed "merit systems" that seemed to have solved these problems and felt it to be "imperative that effort be continued to find an ideal system" (p. 11).

Based on the Report of the Harris Commission, the General Assembly authorized a field study of merit pay in three school districts. While the DPI would serve to coordinate and provide technical assistance to the three sites, much of the decision-

making was left up to the participants. In consequence, three different sets of eligibility requirements were established, three different sets of evaluative criteria were agreed to, and three different sets of procedures for evaluation were developed. This devolution of authority is significant because it recognized that a centrally planned system would be less acceptable to teachers and others than would be locally developed systems. Moreover, examination of the different guidelines reveals very little difference among them that is important.

School year 1961-62 was spent in training of local steering committee members, visiting schools that already had merit plans and identifying evaluation criteria in procedures. At the beginning of the next school year, teachers who volunteered to participate were observed in their classrooms. Of a total staff of 1070, almost 45 percent volunteered to participate in the study. Of these, 47 percent received merit bonuses of $500 at the end of the first year of implementation. To place this in perspective, it should be pointed out that a base salary of $508 was paid per month to a graduate level teacher after seven 7 years of teaching; a salary of $505 to a B.A. holder after 9 years. Thus, the bonus represented a considerable salary enhancement. It should be noted that, at least during this experimental year, no quotas were established. That is, all who earned the merit bonus would receive it. For a relatively poor state, North Carolina took a fairly large risk, since there was no way of knowing, in advance, how many people would earn the bonus. In any event, the amount paid in bonuses was slightly less than had been appropriated ($113,500 as compared to $120,00) (Experimental Program, 1962).

The classroom observations were continued for one more school year. The local committees continued to provide training for evaluators and to answer teachers' questions. The importance of the local committees had been underscored in the interim report, and was seen as allowing tests of acceptable variants on a common theme, thus reinforcing the original Harris Commission observation that there might be several ways to determine merit. For instance, Table 1 shows the major criteria for in-class observation. With the exception of one center and one criterion, all sites used the same criteria. However, at the level of the diagnostic questions that operationally defined these criteria, there was some variation, as may be seen in Table 2, where the questions for a single criteria are displayed.

TABLE 1

CRITERIA FOR IN-CLASS OBSERVATION

Criteria	1	2	3
Meets individual needs	✔	✔	✔
Guides class to achieve purpose	✔	✔	✔
Evaluates the situation	✔	✔	✔
Encourages pupils to relate learning	✔	✔	✔
Motivates pupils	✔		✔
Contributes to emotional climate for learning	✔	✔	✔
Pupils react positively	✔	✔	✔

TABLE 2

CRITERION AND GUIDING QUESTIONS FROM THREE SITES

Site A:

F. To what degree does the teacher contribute to a good emotional climate for learning?
   1. Does the teacher respect the personality and worth of each individual pupil?
   2. Does the teacher show courtesy to pupils and consideration for them as individuals?
   3. Does the teacher show tolerance and patience in situations where these qualities are needed?
   4. Does the teacher show personal satisfaction in the achievement of pupils and give praise when it is earned?
   5. Does the teacher encourage pupils to express themselves concerning school work and give due consideration to their suggestions?
   6. Does the teacher demonstrate emotional maturity and self-confidence?
   7. Does the teacher show friendliness and a sense of humor in relationships with pupils?
   8. Does the teacher show fairness and consistency in dealing with pupils?

Site B:

E. Is the behavior of the teacher conducive to keeping the classroom free from distorting anxieties?
   1. Does the teacher practice self-control and display poise in the classroom?
   2 Does the teacher show evidence of self-confidence and enthusiasm?
   3. Does the teacher organize the teaching situation effectively without regimenting pupils?
   4. Does the teacher give the pupils opportunities to practice self-discipline?
   5. Does the teacher assist pupils in recognizing and solving their problems?
   6. Does the teacher display a genuine interest in the teaching job and pride in accomplishments of pupils?
   7. Does the teacher give recognition to pupil interests, questions, and initiative?
   8. Does the teacher show respect for the individuality of pupils?
   9. does the teacher respect pupil opinion concerning classroom matters and involve them in planning?

Site C:

C. To what degree does the teacher maintain an emotional climate conducive to good discipline and learning?
   1. Is there evidence of teacher-pupil rapport?
   2. Does the teacher get attention and active participation from pupils?
   3. Does the teacher respect the dignity and worth of each individual?
   4. Does the teacher show interest in the welfare of the pupils and a desire to help them learn?
   5. Is the teacher willing to assist pupils in making satisfactory emotional and social adjustments?

The DPI study directors conducted a survey of teachers and administrators in the participating districts. The questionnaire solicited views on a variety of topics related to program implementation and affects. Results were reported from three main groups: participants (those whose performance had been evaluated), non-participants, and administrators. Once again, the surveys reveal a deep division between a theoretically desirable state and a view of practical reality. For example, 98 percent of respondents agreed that "some teachers do a better job in the classroom than others" (NCDPI, 1965, p. 59). But, only 17.7 percent of responders agreed that a salary schedule based on merit would be more desirable than one with automatic increments based on preparation and experience.

Some of this disparity may be explained by a wide-spread feeling that teachers engaged in their profession because of a "call", rather than for salary. (Lortie makes a similar observation in discussing teacher motivation, as does Sergiovanni). For example, more than 75 percent of responders felt that "evaluation aimed at improving instruction should be independent of salary determination". However, about the same percentage (76 percent) felt that possibilities of rewarding superior teaching performance should be explored further.

In terms of their actual experience in the pilot; however, responders expressed concern about the skills of evaluators. Only 45 percent of responders agreed that "observers made every effort to be fair". More than one in three was "uncertain" about this. Moreover, about 44 percent felt that observers were influenced by factors "other than classroom teaching."

On the issues of morale and cooperation, respondents were also negative:

	A/SA	DISAGREE	D/SD
116. There has been improvement in teacher morale since initiation of the experimental program.	12.7	27.5	59.9
121. Rapport among teachers... has improved...	10.9	30.1	59.0
123. The experiment has resulted in undesirable competition among teachers.	44.6	27.3	28.1
124. The program has fostered jealousy among teachers.	57.2	21.9	20.9

In short, the experiment did not produce in reality anything like the theoretical possibilities. Moreover, at considerable expense, the state had not been able to improve student learning, as perceived by the survey responders. Finally, fewer than one responder in five advocated continuing the merit pay program.

Based on all the available evidence, the Harris Commission reached four recommendations:

1. A uniform state-wide program of merit pay was not feasible or practicable "at this time".

2. A merit pay program at the local level seemed possible, if certain conditions obtained.

3. Statewide programs to improve education should be expanded. (These efforts included funding positions for supervisors, increased in-service, and reduced class size).

4. Other programs--teacher recruitment, pre-service curricula, etc.--should be initiated.

These recommendations suggest that rewards to practicing professionals would create more problems than would be worth the costs, financial and psychological.

However, instructional improvement continued to be viewed as an important need that might best be solved at the pre-service training level.

THE NORTH CAROLINA CAREER DEVELOPMENT PROGRAM PILOT (1985-89)

Twenty years after the end of the Merit Pay Experimental Study, the General Assembly authorized the third effort to differentiate salaries on the basis of merit. This pilot of the Career Development Program would eventually involve more than 6000 educators in 16 school districts. The Program included salary increases for "meritorious teaching", opportunities for expanded job roles, and increased decision-making for teachers, principals, and district officials.

The basis of the CDP was an evaluation instrument for assessing teaching skills. Unlike the earlier effort, this evaluation provided uniform criteria and procedures. The procedures called for multiple observations in classrooms, feedback conferences, and summative evaluations. At least two observers--one the teacher's principal and one a teacher on temporary assignment as an evaluator--were involved in each teacher's evaluation. Issues of reliability were controlled through an initial training program of 54 hours plus booster training sessions throughout the life of the pilot.

The evaluation instrument itself resulted from an extensive review of the pedagogical research literature. Twenty-eight practices associated with student achievement were isolated in the literature and then combined into five functions of teaching: management of time and of student behavior, instructional presentation, mentoring and feedback. In addition, three other functions dealing with communication, planning, and non-instructional service were also identified. An independent review of

the evaluation system concluded that "It was well suited to its purposes" (Brandt at. al., 1989).

While the evaluation criteria and procedures were uniform state-wide, results were not. No system of quotas was imposed so that any educator who demonstrated skill at the criterion level would receive the rewards anticipated. These were not insignificant: an additional 5 percent of salary was awarded at Level I and 10 percent (on top of the 5 percent) at Level II. In its third year, the program cost about $48 million, of which about 85 percent went to teachers as compensation bonuses.

A steering committee representing each of the participating districts met each month to discuss policy recommendations. While a fair degree of latitude for implementation decision-making was left to the local district, the steering committee often acted in concert to propose policy on a state level. For example in the third year of the pilot, a number of people voiced concern that the Level II criteria level was too low. After much discussion, a decision to increase the rigor was reported out of the Steering Committee and adopted by the State Board of Education.

Murnane and Cohen (1985) had observed that "career ladder" plans usually failed because of the technical problems of evaluation. In addition to the favorable report of the third party evaluators mentioned earlier, participants in the pilot program seemed, by and large, to accept the evaluation system. In one study of the evaluation instrument, teachers expressed a high degree of confidence in the appropriateness of the evaluation criteria (Stacy et. al., 1988). Moreover, in an early implementation study, teachers by a large majority expressed confidence in the ability of evaluators to be fair (NCDPI, 1986).

This level of acceptance was confirmed in a study commissioned by the General Assembly near the end of the pilot period (Furtwengler, 1989). Thus, it seemed that a technically sound and politically acceptable system for establishing merit had been found after 40 years.

Perhaps unfortunately, the state-wide association of teachers had decided to oppose the Career Development Program. The association conducted a vote of heads of locals to determine whether support should be thrown behind the program and this group confirmed the Association's historic opposition to performance evaluation and merit pay. When this opposition was combined with cost projections indicating that $500 million annually would be needed to carry the program state-wide, legislative support dried up. However, because the pilot had been so well-publicized and because all of the technical studies--both internal and external--had been positive, the Assembly was reluctant to simply do nothing, especially since student performance measures statewide indicated an increasingly serious need to improve instruction.

At this point, a number of different (often opposing) presses were being felt by the Assembly:

1. An increased public outcry for school improvement, which centered on the abysmally low SAT scores earned by North Carolina students;
2. A budget which, by law, had to be balanced each year;
3. A public commitment to revise the uniform teacher salary schedule;
4. Revenue projections that indicated that the growth of the early 80's would stall in the 90's; and
5. Increased demands for involvement of teachers in management decisions at the building and district level.

Out of this crucible emerged the School Improvement and Accountability Act of 1989, a legislative attempt to redress the perceived imbalance of decision-making by taking the emphasis off the input side of the equation and putting it on the outcomes side. In a very real sense, the SIAA accepted the impossibility of establishing centrally a method for rewarding superior teaching. In that sense, the Act represents a shift of paradigm away from the governance paradigm that created the Umstead and Harris Commissions and the CDP. More importantly, the SIAA embodied the notion that the ends of schooling were more important to the State than the means, which were properly the concern of locally hired educators. The effects of this shift will be examined in the next section of this paper.

THE SCHOOL IMPROVEMENT AND ACCOUNTABILITY ACT OF 1989

The School Improvement and Accountabiity Act, also known as Senate Bill 2, offered local districts three different kinds of incentives for educational improvement. First, certain lines of the state fund budget could be combined, granting greater flexibility to allow funding to follow local priorities. Second, districts could request waivers from certain laws, policies, and regulations governing education. Third, districts could create differentiated pay plans to reward, compensate, and/or motivate certified staff to work towards instructional improvement. In exchange, districts were required to develop goals and milestones over a three-year period, indicating how student achievement would be maintained or improved. The State Board of Education specified both academic and non-academic areas for measurement. Local districts could add to these, but had to willing to be accountable at least for these areas.

Although the program was voluntary, all districts elected to participate. School year 1989-90 was designated as a planning year, with changes to be implemented in 1990-1991. It was envisioned that the plans would be in place through school year 1992-93. In order to include a differentiated pay plan, a favorable vote by the affected employees was required. During the initial planning year, no differentiated pay was available, but in 1990-91, districts were to receive 2% of the certified salary budget, a sum that would increase to 5% by the end of the plan period.

In the event, this did not occur. During the second year of the plan (1991-92), districts were allowed to vote to continue their plan of differentiation or to switch to an across the board bonus plan. The vast majority chose this option for the one year it was

permitted. In 1992-93, the differentiated pay plans were re-instituted. In the section that follows, we will examine these specific features of the plans: waivers requested, differentiated pay plans, and goals attainment.

Waivers Requested

Educators in North Carolina have frequently complained that the ability to educate children is seriously hindered by a plethora of laws and regulations emanating from the state capital. In view of the heavy share of costs borne by the state, this is perhaps not surprisingly and so Senate Bill 2 offered a means of relief. Over the course of the School Improvement plans, more than 2500 requests for waivers were received. Each of these was studied by the State Board before a decision to grant the waiver or not was made. Table 4 presents a categorical listing of the top 20 areas in which waivers were sought and shows the number and percent of waivers granted.

It is interesting to observe that nine of the top 20 categories were fiscal in nature, either requesting permission to convert allocated funds for some other purpose or requesting some other kind of flexibility. In the vast majority of cases, the waiver was granted, with the obvious exception of waivers from the state purchasing system, where no waivers were granted.

In the area of non-financial waiver requests, the Board was equally liberal, granting all waiver requests concerning class size regulations, and teacher assistant assignment rules and a majority of requests in five other categories. The Board tended not to grant waivers of rules concerning exceptional children, the rules governing the

schedule of state-wide tests. In all, 68% of waivers requested in these top categories were granted. Thus, the laws and regulations that were perceived to hamper local efforts were largely set aside.

TABLE 4
MOST FREQUENTLY REQUESTED WAIVERS
BY CATEGORY AND APPROVAL RATE

Rank Order	Category	# Requests	# Approved (%)
1	General Financial Flexibility *	198	132 (67%)
2	Class Size	140	140 (100%)
3	Flex Assign: Teacher Assts.	127	127 (100%)
4	Excep. Child Regulation	125	8 (6%)
5	Summer School Funds *	110	104 (95%)
6	Purchase texts off List *	109	108 (99%)
7	Out of field Certification	108	74 (69%)
8	Performance Appraisal	90	64 (71%)
9	Length of School Day	81	69 (85%)
10	Voc Ed MOE *	75	74 (99%)
11	Certification Regs	75	42 (56%)
12	BEP position flex *	73	63 (86%)
13	Test schedule	69	28 (41%)
14	Driver Ed Policy	64	64 (100%)
15	AG Regs	62	14 (23%)
16	Teacher leave regs	53	4 (8%)
17	State Purchase Contract *	52	0 (28%)
18	Certified: Non-cert *	50	14 (28%)
19	Connert positions to $ *	48	46 (96%)
20	AD Fund Flex *	42	22 (52%)
Total		1751	1197 (68%)
	All other requests	829	487 (59%)
Total		2580	1684 (65%)
	*Financial management areas.		

Differentiated Pay Plans

The legislation identified several models for differentiated pay that the districts could consider. These included career development plans (which allowed for continuation of the 1985-89 pilot, although at slightly reduced funding); lead teacher plans, based on the Carnegie model; a plan adopted from another state; a school-based performance plan (almost a pure incentive model); and a locally designed combination plan. In the initial planning, the distributions were:

Model	Number of LEAs
Career Development Pilot Program	17
Lead Teacher Pilot Program	0
Locally Designed School Based Performance Program	30
Differentiated Pay Plan From Another State	0
Locally Designed Combination Plan	87

In analyzing the plans, six components were found to be fairly common.

Certification – includes rewards for staff development activities, attainment of educational credits, or other activities designed to improve knowledge and skills.

Task Differentiation – provides rewards for those who assume expanded roles or accept extra duties.

Special Assignment – provides bonuses for filling a need or completing an assignment, usually on a short term basis.

Incentive – provides rewards for additional efforts usually on recurring tasks. A major purpose of incentives is to bring about improved performance.

Student/School Outcomes – Provides rewards for individuals when organization goals are met. These outcomes include but are not limited to actual performance measures.

Merit – Provides rewards for achieving an established performance standard on regular duties over a period of time. Merit determinations usually require measurement or appraisal systems.

COMPONENT	NUMBER OF OCCURRENCES IN 134 PLANS
Task Differentiation	107
Student/School Outcomes	62
Merit	61
Certification	56
Incentive	40
Special Assignment	6

During the second year, as has been mentioned, districts could elect across the board plans, which most did.

Differentiated pay as implemented for 1991-92 under Senate Will 2 resulted in a wealth of experience for 188 committees of teachers and administrators. Except for the continuing Career Development Pilots, virtually 100 percent of the districts elected to prepare local plans to meet the performance needs which were identified by other local Senate Bill 2 committees. In many instances a district plan was "built up" from a series of school plans.

A frequently occurring plan was one in which a range of options were developed from components and related to performance. In many of these plans, individual teachers selected from options in accordance with their assignment and the pay points attached to the option (cafeteria pay plan). Next in popularity was the locally designed school based performance program. Although variety exists within all of the models, school based performance plans typically provide group rewards for individuals with common responsibilities.

Practically all of the state paid certificated teachers and most of the administrators gained experience with differentiated pay during the 1990-91 school year. Of those districts given a choice in August-September, 1991, around 16 elected to continue with the model they had developed and approved. The on-voting Career Development Projects accounts for another 15 of North Carolina School Districts operating under a differentiated pay system in the 1991-92 school year. Therefore, of the 132 school districts that existed at the time of the August-September vote about 23 percent (including the CDP pilot districts) have differentiated pay plans.

Goals Attainment

Given the flexibility of budgets, the legal waivers, and the differentiated pay, it is reasonable to ask whether districts were able to attain the milestones and goals they had set for themselves. Reviewing achievement data for school years 1990-91 and 1991-92, the answer appears to be mixed. In both years, slightly more than 50 percent of the districts achieved 75 percent or better of their annual milestones. While this is not especially heartening, it is helpful to consider the districts as three different groups: the CDP pilot units, which had longer experience at self-evaluation; a group of 16 districts that chose to stay with their differentiated pay plan in lieu of those who paid across the board, and everyone else. Table 5 shows results by these three categories:

	N	1990-91	1991-92
CDP	16	10 (63%)	7 (44%)
Continue	16	11 (69%)	12 975%)
All Others	96	45 (47%)	50 952%)
Total	128	66 (52%0	69 (54%)

CONCLUSION

Surveying almost fifty years of educational reform policy, it is an inescapable conclusion that the effects intended have rarely been those achieved. In some ways, this may result from a confounding of goals. On the one hand, North Carolina's General Assembly has an historic and on-going interest in seeing improvements in student achievement. On the other hand, the Assembly has an interest in establishing systems of employment that attract and retain adequate numbers of staff to accomplish the organizational mission, while creating reward structures that communicate the organizational values. In each of these reforms the notion that increased salary will lead to improved performance by others has been implicit or explicit. That is, by reinforcing Teacher A's demonstration of desired behavior, the system managers will see a change in Teacher B's behavior, since Teacher B will want the same reward. Thus identification of the desired practice will indirectly cause a general improvement in all teachers' skills. Arguably, this has not occurred, either because the reform systems did not identify the desired skills, they proved to be too expensive, or because the mechanism (reward A to change B's behavior) is profoundly flawed. It is predictable that continued reforms in this vein will encounter the same results. It would appear that the relationship between salary incentives and performance is less clear-cut than may be the case for used car salespeople who can change their behavior if the incentive is sufficiently attractive. As has been observed elsewhere, teachers are not salespeople and kids are not cars. Efforts to change behavior through incentives are unlikely to prove successful, if history is any

indication.

A second conclusion can be drawn from the survey. North Carolina's General Assembly, in passing Senate Bill 2, made a point of describing its action as reflecting a paradigm shift in the governance and management of education. This is probably not what happened. In order to see a paradigm shift, one would expect to see a fundamental change in power relationships from a centralized and hierarchic one to a diffused and collegial one. This did not occur. While the specific site of decision-making may have changed, the nature of decision-making did not. All of the reforms studied are predicated on industrial-age models of work, of governance, of motivation, and of organizational behavioir. While the perspective on reform is different in the School Improvement and Accountability Act, essentially the same paradigm is employed, so not surprisingly, the same structures for reform and improvement are in place. Perhaps a genuine shift of paradigm would yield the results that 50 years of perspective shifting have not.

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